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IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Plaintiff

v.

LIFE CARE CENTERS OF AMERICA, INC. AND SOUTH HILL OPERATIONS LLC d/b/a LIFE CARE CENTER OF SOUTH HILL,

Defendants.

CIVIL ACTION NO. 2:18-cv-01411

COMPLAINT

NATURE OF THE ACTION

This is an action under Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991 to correct unlawful employment practices on the basis of sex (female/ pregnancy), and to provide appropriate relief to Nair Parsons and a class of similarly situated female employees in Washington who were adversely affected by such practices. The Equal Employment Opportunity Commission ("EEOC") alleges that Life Care Centers of America, Inc. and South Hill Operations LLC ("Defendants") d/b/a Life Care Center of South Hill in Puyallup, Washington subjected Parsons and a class of similarly situated female employees in Washington to disparate treatment in violation of Title VII by refusing to accommodate their pregnancy related lifting restrictions, while accommodating other non-pregnant employees who were similar in their ability or inability to work. Because Defendants refused to accommodate Parsons

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and she was told to reapply in order to return to work, she was constructively discharged in violation of Title VII.

JURISDICTION AND VENUE

- 1. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§ 451, 1331, 1337, 1343 and 1345. This action is authorized and instituted pursuant to Section 706(f)(1) and (3) of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5(f)(1) and (3) ("Title VII"), and pursuant to Section 102 of the Civil Rights Act of 1991, 42 U.S.C. § 1981a.
- 2. The employment practices alleged to be unlawful were committed within the jurisdiction of the United States District Court for the Western District of Washington.

PARTIES

- 3. Plaintiff, the Equal Employment Opportunity Commission, is the agency of the United States of America charged with the administration, interpretation and enforcement of Title VII and is expressly authorized to bring this action by Sections 706(f)(1) and (3) of Title VII, 42 U.S.C. 2000e-5(f)(1).
- 4. At all relevant times, Defendant Life Care Centers of America, Inc. ("LCCA") has been a Tennessee corporation continuously doing business in the State of Washington and has continuously employed at least fifteen (15) employees.
- 5. At all relevant times, Defendant LCCA has continuously been an employer engaged in an industry affecting commerce under Sections 701(b), (g) and (h) of Title VII, 42 U.S.C. §§ 2000e(b), (g) and (h).

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- 6. At all relevant times, Defendant South Hill Operations LLC ("SHO") has been a Tennessee corporation continuously doing business in the State of Washington and has continuously employed at least fifteen (15) employees.
 - 7. At all relevant times, Defendant SHO has continuously been an employer engaged in an industry affecting commerce under Sections 701(b), (g) and (h) of Title VII, 42 U.S.C. §§ 2000e(b), (g) and (h).
 - 8. On information and belief, the two Defendants named in this action have operated as an integrated business enterprise, and each Defendant had at least fifteen (15) employees on a continual basis.
 - 9. Facts establishing the existence of an integrated business enterprise include, but are not limited to, the following:
 - a. Forrest L. Preston ("Preston") is founder and 100% owner of Defendant LCCA;
 - b. LCCA owned and operated about 77 geriatric health care service providers ("nursing homes") directly at all relevant times;
 - c. Preston owned and operated about 159 nursing homes through a series of 100 or so partnerships and corporations;
 - d. Preston and LCCA have conceded in other litigation brought against them by the U.S. Department of Justice that they control over 236 nursing homes nationwide through a network of current and former subsidiaries, divisions, affiliates, brother and sister corporations, companies, and partnerships, and in its capacity as a joint venture participant and its capacity as an owner, operator or manager including the South Hill facility through SHO;
 - e. Defendant SHO lists Preston as its agent and principal;
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- f. Defendants share a common physical address, 3570 Keith Street NW, Cleveland,
 TN, 37312;
- g. Defendants share a common mailing address, 3570 Keith Street NW, Cleveland,
 TN, 37312;
- h. Defendants' operations are interrelated as Defendants operate out of the same facility and on information and belief share employees;
- i. On information and belief, Defendants have common financial control;
- j. At all relevant times, Defendants shared common management; and
- k. Centralized control of labor for Defendants rests with Defendant LCCA.

ADMINISTRATIVE PROCEDURES

Nair Parsons filed Charge No. 551-2016-01760C with the EEOC alleging violations of Title VII by Defendants LCCA and SHO d/b/a Life Care Center of South Hill. The EEOC investigated Parsons's EEOC Charge, and notified Defendants in January 2017 and March 2017 that the geographic scope of the investigation included all of their employees in Washington State.

Defendants responded to Ms. Parson's EEOC charge, including the EEOC's March 9, 2017 subpoena for all records of employees in Washington State. The EEOC issued Defendants a Letter of Determination on June 7, 2018 finding reasonable cause to believe Title VII was violated with regard to Parsons and a class of similarly situated female employees, and invited Defendants to explore informal methods of conciliation to eliminate the unlawful employment practices and to provide appropriate relief. The EEOC then communicated with Defendants to describe appropriate remedies for the discriminatory practices described in the EEOC's Letter of COMPLAINT- Page 4

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Determination. The EEOC was unable to secure a conciliation agreement from Defendants that was acceptable to the Commission. On July 16, 2018, the EEOC issued a Notice of Failure of Conciliation to Defendants. All conditions precedent to the institution of this lawsuit have been fulfilled.

STATEMENT OF CLAIMS

- 11. Since at least June 15, 2016, Defendants have engaged in unlawful employment practices at their South Hill facility in Puyallup, Washington ("South Hill") in violation of Section 703(a) of Title VII, 42 U.S.C. § 2000(e)-(2)(a), by refusing to accommodate the pregnancy-related work restrictions of Parsons while accommodating the work restrictions of non-pregnant employees similar in their ability or inability to work. Parsons was affected by said unlawful employment practices.
- 12. Parsons began her employment with Defendants as a Certified Nursing Assistant ("CNA") in or about November 2015.
- 13. Parsons notified Defendants on or about June 14, 2016 that she was seven months pregnant, and provided them with a doctor's note which indicated that she was limited from lifting more than fifteen (15) pounds for the remainder of her pregnancy.
- 14. Defendants did not request that Parson supply any more medical information or documentation related to her pregnancy on or after June 14, 2016.
- 15. Defendants' Director of Nursing and Assistant Director of Nursing informed Parsons on June 15, 2016 that Defendants do not accommodate pregnant employees with light duty, but only accommodate employees who are injured on the job.

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- 16. Defendants' Director of Nursing also informed Parsons during the June 15, 2016 meeting that she could take unpaid leave until her doctor removed her lifting restriction, that Parsons could reapply for a CNA job after she was ready to return to work following her maternity leave but that there was no guarantee that a CNA job would be available.
- 17. Defendants then placed Parsons on involuntary, unpaid leave starting on June 15,2016.
- 18. Defendants forced Parsons to resign involuntarily because of her pregnancy-related lifting restriction.
- 19. At all relevant times going back to at least September 21, 2015, Defendants have owned or operated twenty-three (23) facilities in Washington including South Hill in Puyallap and: (1) Alderwood; (2) Auburn; (3) Bothell; (4) Burien; (5) Cascade Park; (6) Cottesmore; (7) Federal Way; (8) Garden Terrace (Federal Way); (9) Hallmark Manor; (10) Islands (San Juan Islands); (11) Kah Tai (Port Townsend); (12) Kennewick; (13) Lake Vue (Kirkland); (14) Marysville; (15) Mount Vernon; (16) Ocean View; (17) Port Orchard; (18) Puyallup; (19) Richland; (20) Ritzville; (21) Skagit Valley; and (22) West Seattle.
- 20. At all relevant times going back to at least September 21, 2015, Defendants have had and continue to have a policy or practice at its twenty-three (23) facilities in Washington of regularly accommodating non-pregnant employees who have work restrictions similar to Parsons's under circumstances in which the non-pregnant employees' restrictions are caused by work place injuries. Defendants' employees who are injured on the job are provided with light duty or other job modifications under Defendants' policy or practice, but employees with similar restrictions caused by a pregnancy related medical condition are not provided light or modified duty.

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- 21. The effect of the practices complained of in paragraphs 11-20 above has been to deprive Parsons and a class of similarly situated female employees in Washington of equal employment opportunities and otherwise adversely affect their status as employees because of their sex (female), pregnancy or related medical condition.
- 22. The unlawful employment practices complained of in paragraphs 11-20 were and are intentional.
- 23. The unlawful employment practices complained of in paragraphs 11-20 above were done with malice or with reckless indifference to the federally protected rights of Parsons and a class of similarly situated female employees.

PRAYER FOR RELIEF

Wherefore, the Commission respectfully requests that this Court:

- A. Grant a permanent injunction enjoining Defendants, its officers, agents, successors, assigns, and all persons in active concert or participation with it, from unlawfully failing to provide equal employment opportunities to employees because of their sex (female), pregnancy or related medical conditions, and any other employment practice which discriminates on the basis of sex (female), pregnancy or related medical conditions.
- B. Order Defendants to institute and carry out policies, practices, and programs which provide equal employment opportunities for employees because of their sex (female), pregnancy or related medical conditions, and which eradicate the effects of its past and present unlawful employment practices.
- C. Order Defendants to make whole Nair Parsons, and each similarly situated female employee, by providing appropriate back pay with prejudgment interest, in amounts to be

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determined at trial, and other affirmative relief necessary to eradicate the effects of its unlawful employment practices.

- D. Order Defendants to make whole Nair Parsons, and each similarly situated female employee, by providing compensation for past and future pecuniary losses resulting from the unlawful employment practices described in paragraphs 11-20 above, including past and future out-of-pocket losses, in amounts to be determined at trial.
- E. Order Defendants to make whole Nair Parsons, and each similarly situated female employee, by providing compensation for past and future non-pecuniary losses resulting from the unlawful practices complained of in paragraphs 11-20 above, including emotional pain, suffering, inconvenience, loss of enjoyment of life, and humiliation, in amounts to be determined at trial.
- F. Order Defendants to pay Nair Parsons, and each similarly situated female employee, punitive damages for its malicious and reckless conduct, as described in paragraphs 11-31 above in amounts to be determined at trial.
- G. Grant such further relief as the Court deems necessary and proper in the public interest.
 - H. Award the Commission its costs of this action.

DATED this 25th day of September, 2018.

ROBERTA L. STEELE JAMES L. LEE

Regional Attorney Deputy General Counsel

JOHN F. STANLEY GWENDOLYN Y. REAMS Supervisory Trial Attorney Associate General Counsel

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| | COMPLAINT- Page 9 EQUAL EMPLOYMENT |

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